



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

May 24, 2007

MEMORANDUM

TO: LME Directors
LME Finance Officers

FROM: Wanda Mitchell, Budget & Finance

SUBJECT: SFY 07 Year-End Non-UCR Payments of State Funds

The Division has worked with the DHHS Controller's Office to assess LME budgets and finalize the process for making payments for SFY 07 year-end. Outlined below is the process the Division will utilize to pay LMEs for realistically estimated June 2007 expenditures.

June Non-UCR State Funds – LMEs are not able to submit a Financial Status Report (FSR) certifying actual June expenditures until after the close of the current State Fiscal Year. Therefore, LMEs will need to submit an estimated payment request on the FSR to your Regional Accountant **NO LATER THAN JUNE 7th**. This advance request will be an estimate of June non-UCR costs for **State funds** only, not to exceed the balance of the relevant account(s). Such requests are NOT to simply be the balance in any given non-UCR account rather, requests are to be the amount the LME realistically estimates will be expended in June 2007. The Regional Accountant and Division Budget and Finance Team staff will review each request and, upon approval, submit the FSR to the Controller's Office for processing. If an LME's June 2007 estimated expenditures appear out of line with prior experience, Division staff will follow up with LME staff prior to approving the payment request. Once actual costs have been identified, LMEs are to submit a certified June FSR to the Regional Accountant accompanied by a refund check of over payment, if applicable, prior to October 1, 2007. Please estimate as best you can the amount of expenditures for the month of June. If your payment of State funds is less than your actual billings, there is no guarantee State funds will be available for payment in SFY 08, with the possible exception of Mental Health Trust Fund and the one-time crisis start-up funds. For the one-time crisis start-up funds in Fund 1590, account 536996 "Crisis Services", the Division will request to carryover any unexpended funds in accordance with SB 1741, Section 10.26.(a).

Since unexpended Federal funds remain available into next year, if the Division owes additional Federal funds to LMEs for SFY 07 costs after SFY 07 has ended, the Division will attempt to rebudget these funds in SFY 08 for payment to LMEs. Again, payment to LMEs will be based upon availability of funds and there is no guarantee of payment in SFY 08.

The final date for processing LME SFY 07 payments by the DHHS Controller's Office is June 15, 2007. Please have your finance officers contact the DMHDDSAS Budget & Finance Team with questions at (919) 733-7013 or e-mail me - Wanda.Mitchell@ncmail.net

cc: Secretary Carmen Hooker Odom
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